agency (60 days if overseas) or within 60 calendar days after the date of the terminating event (90 days, if overseas), whichever is earlier.

(4) If the employee does not request conversion information within the specified time period as described in paragraph (a)(3) of this section, the employee is considered to have refused coverage unless OFEGLI determines the failure was for reasons beyond the employee's control, as described in paragraph (a)(5) of this section.

(5) When an agency fails to provide the notification required in paragraph (a)(2) of this section, or the employee/assignee fails to request conversion information within the time limit set in paragraph (a)(3) of this section for reasons beyond his or her control, the employee may make a belated request by writing to OFEGLI. The employee/assignee must make the request within 6 months after becoming eligible to convert the insurance. The employee/assignee must show that he or she was not notified of the loss of coverage and the right to convert and was not otherwise aware of it or that he or she was unable to convert to an individual policy for reasons beyond his or her control. OFEGLI will determine if the employee/assignee is eligible to convert. If the request is approved, the employee must convert within 31 calendar days of that determination.

(b) The individual conversion policy is effective the day after the group coverage ends. The employee/assignee must pay the premiums for any period retroactive to that date.

(c) The 31-day extension of coverage provided under this subpart does not depend upon timely notification of the right to convert to an individual policy. The extension cannot be continued beyond 31 days.

(d) Family members may convert Option C coverage (and name beneficiaries of their choice) if:

(1) The employee dies; or

(2) The insurance stops under circumstances that allow the employee to convert Option C coverage but the employee does not convert.

(e) If an employee with Option C coverage dies, the employing office must send a conversion notice to the family members at the employee's last address on file.

(f) Family members must submit the request for conversion information to OFEGLI. OFEGLI must receive the request for conversion within 31 calendar days of the date on the conversion notification the employee receives from his or her employing agency (60 days if overseas) or within 60 calendar days after the date of the terminating event (90 days, if overseas), whichever is earlier. There is no extension to these time limits. Family members are considered to have refused coverage if they do not request conversion within these time limits.

(g) The family members' conversion policy is effective at the end of the employee's 31-day extension of coverage.

[75 FR 60581, Oct. 1, 2010]

Subpart G—Annuitants and Compensationers

§ 870.701 Eligibility for life insurance.

(a) When an insured employee retires, Basic life insurance (but not accidental death and dismemberment) continues or is reinstated if he/she:

(1) Is entitled to retire on an immediate annuity under a retirement system for civilian employees, including the retirement system of a nonappropriated fund instrumentality of the Department of Defense or the Coast Guard;

(2) Was insured for the 5 years of service immediately before the date the annuity starts, or for the full period(s) of service during which he/she was eligible to be insured if less than 5 years; and

(3) Has not converted to an individual policy as described in § 870.603. If it is determined that an individual is eligible to continue the group coverage as an annuitant after he/she has already converted to an individual policy, the group enrollment may be reinstated. If the individual wants the group coverage reinstated, the conversion policy must be voided, the group policy must be reinstated retroactively, and the premiums already paid on the conversion policy must be refunded to the individual.

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(b) Following separation or the completion of 12 months' nonpay status, a compensationer's Basic life insurance (but not accidental death and dismemberment) continues or is reinstated if he/she:

(1) Has been insured for the 5 years of service immediately before the date of entitlement to compensation, or for the full period(s) of service during which he/she was eligible to be insured if less than 5 years; and

(2) Has not converted to an individual policy as described in § 870.603. If it is not determined that an individual is eligible to continue the group coverage as a compensationer until after he/she has converted, the group enrollment may be reinstated. If the individual wants the group coverage reinstated, the conversion policy must be voided, the group policy must be reinstated retroactively, and the premiums already paid on the conversion policy must be refunded to the individual.

(c) An individual who meets the requirements of paragraph (a) or (b) of this section or § 870.706 for continuation or reinstatement of life insurance must complete an election, in a manner designated by OPM, at the time entitlement is established. For the election to be valid, OPM must receive the election before OPM has made a final decision on the individual's application for annuity or supplemental annuity or an individual's request to continue life insurance as a compensationer. If there is no valid election, OPM considers the individual to have chosen the option described in § 870.703(a)(2).

(d) If the annuity or compensation of an insured individual is terminated, or if the Department of Labor finds that an insured compensationer is able to return to duty, his/her Basic life insurance held as an annuitant or compensationer stops on the date of the termination or finding. There is no 31–day extension of coverage or conversion right.

(e)(1) An annuitant or compensationer who is eligible to continue or have reinstated Basic insurance is also eligible to continue or have reinstated Optional insurance if he/she meets the same coverage requirements for Optional insurance as

those stated in paragraph (a) or (b) of this section for Basic insurance.

(2) For the purpose of continuing insurance as an annuitant or compensationer, an employee is not considered to have been eligible for Option C during any period when the employee had no eligible family members.

[62 FR 48731, Sept. 17, 1997, as amended at 75 FR 60583, Oct. 1, 2010]

§ 870.702 Amount of Basic insurance.

(a) The amount of Basic insurance an annuitant or compensationer can continue is the BIA on the date insurance would otherwise have stopped because of the individual's separation from service or completion of 12 months in nonpay status. The amount of Basic insurance in force is the BIA minus any reductions applicable under § 870.703(a).

(b)(1) For the purpose of paying benefits upon the death of an insured individual under age 45 who is retired or receiving compensation, the BIA will be multiplied by the appropriate age factor shown in § 870.202(c) of this part. Exceptions:

(i) If the insured individual retired or became insured as a compensationer before October 10, 1980, or

(ii) If the insured individual elected a partial Living Benefit as an employee under subpart K of this part.

(2)(i) For an annuitant or compensationer who elected a partial Living Benefit as an employee, the amount of Basic insurance he or she can continue is the post-election BIA, as described in § 870.203(a)(2).

(ii) If an employee elected a partial Living Benefit and that employee is under age 45 at the time of death, OFEGLI will multiply the post-election BIA by the appropriate factor, as specified in § 870.202(c), that was in effect on the date that is nine months after the date OFEGLI received the completed Living Benefit application.

[64 FR 72463, Dec. 28, 1999, as amended at 75 FR 60583, Oct. 1, 2010]

§ 870.703 Election of Basic insurance.

(a) An individual who makes an election under § 870.701(c) and who has not elected a Living Benefit must select one of the options in paragraphs (a)(1) through (4) of this section. No one else